



MI Civil Service News

FLEXIBLE SPENDING ACCOUNT OPEN ENROLLMENT FOR THE 2007 CALENDAR YEAR BEGAN NOVEMBER 1 AND ENDS NOVEMBER 28, 2006

Flexible Spending Accounts (FSA) provide a special tax advantage which allows you to pay for essential health care expenses that are not covered, or are partially covered by your medical, dental and vision insurance plans, and to pay for dependent care expenses.

By contributing a portion of your payroll dollars into your account on a pre-tax basis, you can save 20-40 percent on the cost of eligible expenses. Your savings will be based on your individual tax rate. FSA contributions are exempt from Federal income tax, Social Security taxes (FICA) and Michigan State income tax. The tax exempt status for FSA contributions is the mechanism that allows you to save money.

If you have not participated in this benefit in the past, please take the time to learn how FSA can save you money. You can elect to set aside a portion of your paycheck on a pre-tax basis. The money is then deducted each pay period and held in an account to be reimbursed to you for eligible expenses that are not covered under your health care plan (for example, co-pays and deductibles for the Health Care Spending Accounts, and day care expenses for the Dependent Care Flexible Spending Accounts).

As an example of the value of using pre-tax dollars to pay for dependent care, consider this scenario: The Johnsons have two young children who are placed in day care. The annual cost for the day care is \$5,000. Assuming the Johnsons have a tax rate of 30 percent, they will save \$1,500 by using a Dependent Care FSA to pay for their dependent care expenses.

As an example of the savings you can realize with a Health Care FSA, consider the following family scenario: The Murphys have an annual family deductible for their health insurance plan of \$400. Mr. Murphy wears glasses which cost \$200 per year. Assuming the Murphys have a tax rate of 30 percent, they will save \$180 by using their Health Care FSA to pay for this expense.

(Continued on page 2)



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Our mission is to provide innovative, effective, and timely HR consultation and services to attract, develop, and retain a workforce that is diverse, flexible, creative, and competent to meet the ever-changing needs of state government.

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INSIDE THIS ISSUE:

| | |
|---|-----|
| Flexible Spending Account Open Enrollment | 1-2 |
| Explanation of Benefits | 3 |
| NuUnion Credit Union | 3 |
| Ethical Conduct - Gifts | 4 |
| Benefits For Employees on Military Duty | 4 |
| State Employee Blood Challenge | 5 |
| Events | 5 |

FLEXIBLE SPENDING ACCOUNT OPEN ENROLLMENT

(continued)

Beginning January 1, 2007, the State's FSA benefits will be administered by Automatic Data Processing (ADP). ADP has a proven track record of successfully administering FSA for thousands of employees, and has developed enhancements to their debit card program.

Please note: If you are currently enrolled in a Flexible Spending Account with Fringe Benefits Management Company (FBMC) for the 2006 calendar year, you have until March 15, 2007 to spend any remaining funds in your account. Any funds not spent after that date will be forfeited. Please destroy your FBMC EZ REIMBURSE Card after December 31, 2006. All claims submitted after that date must be filed using a FBMC Request for Reimbursement Claim form. It would be beneficial to the employee to deplete their 2006 FBMC funds and then begin using their new 2007 ADP account.



All health care spending account participants will receive a debit card from ADP in late December. It is your choice to activate and use the card or not. There is no charge to activate and use the debit card. You will be able to use your new debit card for mail order prescriptions and for eligible over-the-counter purchases.

You can find additional information and important details about these changes in the brochure you received in the mail from the State of Michigan, or click here for more information related to FSA: http://www.michigan.gov/mdcs/0,1607,7-147-22854_6095--,00.html. You can also visit the Department of Civil Service website at www.michigan.gov/mdcs. Click "Employee Benefits" from the left menu, then select "Flexible Spending."

To sign up for a flexible spending account, please log in to your MI HR Self-Service account and complete the on-line enrollment. If you need assistance, please contact the MI HR Service Center toll-free (877) 766-6447, (517) 335-0529, or (517) 241-8046 (TDD), Monday through Friday, 7:00 a.m. to 6:00 p.m.

For information or questions concerning eligible expenses or the reimbursement process, please contact the ADP Participant Solution Center at (800) 422-3703, Monday through Friday, 8:00 a.m. to 8:00 p.m. EST. Beginning January 1, 2007, you can access your account on the ADP website at www.flexdirect.adp.com/mifsa using your employee ID and password. You will use your home zip code as the password the first time you log in.

Please Note: Non-career and Special Personal Services employees are not eligible for this benefit.

SIGN UP FOR ONLINE EXPLANATION OF BENEFITS



State employees enrolled in the State Health Plan PPO, administered by Blue Cross Blue Shield of Michigan, have asked for on-line Explanation of Benefits (EOBs). We are pleased to inform you that they are now available.

Reviewing your EOBs statement is important because it helps you to be more aware of the prices and payments for your care. It also helps you identify any errors.

On-line EOBs offer several advantages.

- You can view them 24 hours a day, seven days a week.
- You don't need to file and retrieve the paperwork at home.
- You don't need to call and request duplicate copies.
- You can download and print them from your own computer.
- You can retrieve your information from two years from the date of posting.

Sign up for on-line EOBs today! Go to www.bcbsm.com/eob and click on the Member Secured Services "login" button.

NUUNION CREDIT UNION 2007 CALENDAR

Some NuUnion Credit Union members may have received calendars with their recent statement. The calendar contained incorrect State holiday information. NuUnion has updated the 2007 calendar on its website to reflect the correct holidays for State employees. You can view the 2007 calendar at:

<http://www.nuunion.org/media/scms/calendar2007.pdf>

New calendars have been printed and provided to state offices for distribution.

Upcoming Holidays

| | | |
|----------|-------------|--------------------|
| Thursday | November 23 | Thanksgiving |
| Friday | November 24 | |
| Monday | December 25 | Christmas |
| Tuesday | December 26 | |
| Monday | January 1 | New Years |
| Tuesday | January 2 | |
| Monday | January 15 | Martin Luther King |
| Monday | February 19 | President's Day |

ETHICAL CONDUCT — GIFTS

The holiday season is the time of year when vendors or grantees want to bestow gifts upon us as a token of their appreciation. As a state employee, you are prohibited from accepting anything of value from anyone who could reasonably be expected to influence your decision-making.

Civil Service Rule 2-8, Ethical Standards and Conduct, sets forth the standards of conduct we must adhere to as classified employees. Each department can also establish work rules to further define or specify additional standards of ethical conduct. Governor Granholm issued Executive Directive 2003-1, which also prohibits the acceptance of gifts that may influence the manner in which you perform your job. The State Ethics Act, PA 196 of 1973, establishes standards of conduct for public officers and employees in the Executive Branch.

It is your responsibility to know what is and is not acceptable ethical conduct. Please take time to read the above-cited references and know your departmental work rules.

BENEFITS FOR EMPLOYEES ON MILITARY DUTY

Since the terrorist attacks on September 11, hundreds of state employees have been called to, or volunteered for, emergency active duty with their National Guard or Reserve unit. These State employees have been, and are serving all over the world, including in Iraq and Afghanistan. To help support these employees and their families during this national emergency, the Civil Service Commission approved a variety of supplemental benefits for employees away on emergency military duty.

First, when employees leave their State job to go on emergency active military duty, the State of Michigan makes up the difference between their military pay and their State pay for the duration of their military duty. In addition, the employees may continue their State health, vision, and dental benefits for themselves and their dependents while away on military duty. Recently, at the request of Governor Granholm, the Civil Service Commission extended these benefits indefinitely.

In addition, Federal law and the Civil Service rules guarantee a leave of absence from the classified service for any employee who leaves State employment temporarily to serve in any branch of the military. When an eligible employee returns to the State from military duty, the employee is entitled to reemployment in the classified service, either at his or her old State job or in an equivalent job. After returning to State employment, the employee will also be given State seniority and retirement credit for the full length of military duty.

For more details on supplemental pay and benefits provisions, see Civil Service Rule 2-14, "Rights of Employees Absent Due to Service in the Uniformed Services." For details on the leave of absence and reemployment provisions, see Civil Service Regulation 2.04, "Military Leaves of Absence and Return to Work: Basic Rights."

STATE EMPLOYEE BLOOD CHALLENGE 2005-2006 UPDATE



Congratulations! September was the best month for the blood drive with over 800 blood donations made by State employees.

If one donation can save three lives, over 2,400 lives may be saved with your donations for September alone. From November 1, 2005, through September 30, 2006, approximately 16,233 lives may have been saved due to the generous support of State employee blood donations held at worksite drives.

Department Competition

1st Place: Office of the State Employer
2nd Place: History, Arts & Libraries
3rd Place: Civil Service

EVENTS

We Welcome Your Comments

Please contact us by e-mail at:

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or in writing to:

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Civil Service Commission Meeting —2006

December 5

Civil Service Commission Meetings—2007

February 7

May 2

July 18

September 12

December 5

(Meeting dates subject to change.)

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